

Colorado Enhanced Rural Enterprise Zone Program

Purpose

The Enhanced Rural Enterprise Zone program provides greater financial incentives to businesses to promote and encourage new job creation in designated economically lagging rural Enterprise Zone counties.

Authority

The designation of Enhanced Rural Enterprise Zones (EREZ) was authorized under C.R.S 39-30-103.2 to further support economically depressed rural counties. EREZ's are counties in an Enterprise Zone that meet two of the following five criteria:

1. County unemployment rate greater than 50% above state average.
2. County per capita income less than 75% of state average.
3. County population growth rate less than 25% of state average.
4. Total non-residential assessed value ranks in lower half of all counties.
5. County population less than 5,000.

The state promulgates a revised list of eligible counties every two years. When a county goes off the EREZ list, taxpayers who have future job creation plans in such a county may file a certification for an extension of up to five additional years to continue claiming EREZ credits based on additional job creation.

Eligible Counties

The following counties are Enhanced Rural Enterprise Zones (2011-2012):

ALAMOSA	COSTILLA	HINSDALE	LOGAN	PROWERS
ARCHULETA	CROWLEY	HUERFANO	MINERAL	RIO GRANDE
BACA	CUSTER	JACKSON	MORGAN	SAGUACHE
BENT	DELTA	KIOWA	OTERO	SAN JUAN
CHEYENNE	DOLORES	LAKE	OURAY	SEDGWICK
CONEJOS	FREMONT	LINCOLN	PHILLIPS	WASHINGTON

For tax years beginning on or after January 1, 2003 through December 31, 2012, the above counties were also designated as Enhanced Rural Enterprise Zones with the following exceptions:

Las Animas County eligible 2003-04.
Kit Carson County eligible 2005-2010.
Rio Grande County not eligible 2005-06.
Logan County not eligible prior to 2007.
Morgan County not eligible prior to 2011.

Yuma County eligible 2005-06.
Clear Creek, Moffat Counties eligible 2007-08.
Chaffee County not eligible 2005-2006 or 2011-2012.
Fremont County not eligible prior to 2009.

Incentives

If a business is located in an **Enhanced Rural Enterprise Zone**, the business may qualify for the following tax credits as defined in C.R.S 39-30-103.2.

TAX CREDIT	CREDIT AMOUNT	FORM	FYI
Jobs Credit in an EREZ	\$2,500 total per new job	DR0074	FYI Income 10
Ag Processing Jobs Credit in an EREZ	\$3,500 total per new job	DR0074	FYI Income 10

\$500 job credit+\$2,000 EREZ credit = \$2,500 EREZ Job Credit.

\$500 job credit+\$2,000 EREZ credit +\$500 ag processing credit +\$500 ag processing EREZ credit = \$3,500 Ag Processing EREZ Job Credit.

Sample Calculations and Information

If claiming Enterprise Zone tax credits, it is recommended that you review the Enterprise Zone FYI Publications available from the Department of Revenue. These FYI's are noted above for each tax credit and are available at www.colorado.gov/revenue/tax.

Colorado Office of Economic Development and International Trade (OEDIT)

The Colorado OEDIT oversees the Enterprise Zone program. For more information on the Enterprise Zone Program visit www.advancecolorado.com/enterprisezone.